

SENATE BILL REPORT

SB 6443

As of January 23, 2018

Title: An act relating to joint self-insurance programs for property and liability risks.

Brief Description: Addressing joint self-insurance programs for property and liability risks.

Sponsors: Senators Fortunato, Mullet and Angel.

Brief History:

Committee Activity: Financial Institutions & Insurance: 1/23/18.

Brief Summary of Bill

- Authorizes a state agency with an operating budget of less than \$5 million to participate in a local government joint self-insurance risk pool.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Jarrett Sacks (786-7448)

Background: Local government entities, nonprofit corporations, and affordable housing entities have the authority to self-insure against risks, jointly purchase insurance or reinsurance, and contract for risk management, claims, and administrative services. Joint self-insurance risk pools are authorized to obligate the pool's participants to pledge revenues or contribute money to secure the obligations or pay the expenses of the pool, including the establishment of a reserve. Risk pools may sell revenue bonds and short-term obligations and establish lines of credit. The Office of Risk Management with the Department of Enterprise Services is responsible for the regulation of these self-insurance pools.

Summary of Bill: A qualifying state agency may participate in a local government joint self-insurance program for liability insurance coverage. A qualifying state agency is a state agency, board, commission, or other entity of the state, other than a local government, with a biennial operating budget of less than \$5 million.

Appropriation: None.

Fiscal Note: Available.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: OTHER: The bill allows small state agencies to get more affordable coverage and gives them another insurance option. The deductible for the state self-insurance program is too high for agencies with a budget of less than \$5 million.

Persons Testifying: OTHER: Jaimie Bever, Board of Pilotage Commissioners.

Persons Signed In To Testify But Not Testifying: No one.